

# Monthly Economic News You Can Use

October 2006 Data

**By: Paul C. Trahan**, Economic Research Analyst for the Southern District, Maine Department of Labor, Division of Labor Market Information Services, Lewiston CareerCenter, 5 Mollison Way, Lewiston, ME 04240 Tel. 753-9038, FAX 753-9047, e-mail: [paul.c.trahan@maine.gov](mailto:paul.c.trahan@maine.gov)

## National/State News

The not-seasonally adjusted national unemployment rate for October was 4.1, down from 4.4 percent in September and 4.6 percent for October 2005. From September to October not-seasonally-adjusted non-farm employment increased by 712,000 to 136,738,000. The majority of the seasonal job gains were reported in State Government, Education and Health Services, Retail Trade, and Professional and Business Services. Seasonal job losses occurred in Leisure and Hospitality Services, and Construction.

Maine's not-seasonally-adjusted unemployment rate for October was 4.2 percent, up from 4.1 percent for September and down from 4.4 percent for October 2005. Not-seasonally-adjusted nonfarm wage and salary jobs in Maine declined by 1,900 between September and October. The largest job loss was recorded in Leisure and Hospitality Services as tourist-related activities subsided from the summer peak. Seasonal gains in Local Government, Education, Private Educational Services, and Retail Trade partially offset job losses.

## Summary for Southern District

The October/September local Labor Market Area unemployment rates were as follows: Conway, NH-ME 2.6 and 3.2%; Portland-South Portland-Biddeford MSA 3.4 and 3.3%; Portsmouth-Kittery, NH-ME 2.7 and 2.7%; Rochester-Dover, NH-ME 2.4 and 2.7%; Sanford LMA 4.9 and 4.7%; York LMA 2.9 and 2.6%. In general, from September to October, Southern District Labor Market Areas experienced job gains that mirrored the national and state trends: Education and Health Services, Retail Trade, and Professional and Business Services. Similarly, the Leisure and Hospitality sector showed the largest job losses.

Detailed analysis for each Labor Market Area follows in alphabetical order.

## Conway, NH-ME LMA

### Area Definition

The Conway, NH-ME LMA is comprised of Brownfield, Denmark, Fryeburg, Lovell, Stow, and Sweden (All in Oxford County, Maine).

### Civilian Labor Force Trends

	October 2006	September 2006	October 2005
Civilian Labor Force	3,910	3,930	4,000
Resident Employed	3,810	3,810	3,890
Unemployment	100	120	110
Unemployment Rate	2.6%	3.2%	2.8%

In October, the local Unemployment Rate decreased significantly to 2.6 percent, down a statistically important 0.6 from September's 3.2 percent. Resident Employment remained constant at 3,810 as Resident Unemployment dropped to 100. The Civilian Labor Force shrank by a mere 20, from 3,930 to 3,910. The seasonal worker loss in the Conway LMA was not, as is often the case with the larger LMA's, offset or neutralized by teachers and staff returning to schools for the academic year. The largest single gain,

however, was recorded by The Fryeburg Fair which accounted for the stability in the Resident Employed numbers. In October, the highest numbers of claims were in the Construction and Educational Services.

In October of 2005, there were 80 more residents employed with only 10 more residents unemployed. This October's jobless rate, however, was slightly better at 2.6 percent versus 2.8 percent last October.

### **Characteristics of the Insured Unemployed**

In October, 33 percent of claimants were separated from both Construction and Educational Services. Forty-four percent of the claimants were female. Of these women, 22 percent were the primary wage earners. Eighty-nine percent of all claimants left their jobs voluntarily. Thirty-three percent of claimants had completed high school while 22 percent of all claimants had some post-secondary education.

## **Portland-South Portland-Biddeford MSA**

### **Area Definition**

The Portland-South Portland-Biddeford MSA is comprised of Baldwin, Cape Elizabeth, Casco, Cumberland, Falmouth, Freeport, Gorham, Gray, Naples, New Gloucester, North Yarmouth, Long Island, Portland, Pownal, Raymond, Scarborough, Sebago, South Portland, Standish, Westbrook, Windham, Yarmouth, Frye Island, Hiram, Porter, Alfred, Arundel, Biddeford, Buxton, Cornish, Dayton, Hollis, Kennebunk, Kennebunkport, Limerick, Limington, Lyman, Old Orchard Beach, Parsonfield, Saco, Waterboro, Durham and Newfield (Extended Portland – South Portland – Biddeford MSA).

Metropolitan Statistical Areas were defined by the U.S. Office of Management Budget based on new standards and Census 2000 Commuting Patterns. Metropolitan Statistical Areas have at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.

### **Civilian Labor Force Trends**

	<b>October 2006</b>	<b>September 2006</b>	<b>October 2005</b>
Civilian Labor Force	209,900	207,200	210,400
Resident Employed	202,700	200,300	202,800
Unemployment	7,200	6,900	7,600
Unemployment Rate	3.4%	3.3%	3.6%

\* Numbers may not add due to rounding

The jobless rate for the Portland-South Portland-Biddeford MSA increased to 3.4 percent between September and October. The 0.1 percent increase is statistically insignificant.

Resident employment increased by 2,400 to 202,700 from 200,300 between September and October while Unemployment increased by only 300. The last of the seasonal employment gains in Leisure and Hospitality were now completely gone and the early October rains dampened the start of the fall foliage tourism. However, the expected increases in Educational Services, combined with the gains in Retail Trade, were primary reasons for the significant rise in Resident Employed.

The employment increase in the Civilian Labor Force from September to October is partly a function of high school and college faculty and staff being fully accounted for in employment reporting. More importantly, the Fall-to-Late Fall openings of the new **Stores at Biddeford Crossing** began in October was almost complete by the end of the month. The project, once completed, is expected to employ over 800 people and many of them are already employed.

## Characteristics of the Insured Unemployed

In October, for the seventh month in a row, the largest number of the insured unemployed again came from the Retail Trade industry sector with 16 percent of claimants. Healthcare and Social Assistance accounted for 12 percent of approved claims. These are the second and first largest industry sectors respectively and any variations in these sectors' employment reflect this. Manufacturing accounted for 11 percent of the claims distribution while Administrative and Waste Services had 10 percent. Construction had 9 percent and Accommodation and Food Services had 8 percent.

The Portland-South Portland-Biddeford MSA continues to have an educated workforce with 44 percent of September's insured unemployed having completed high school and 45 percent of all claimants having some post-secondary education. Sixty percent believed their layoffs were temporary and 7 percent were veterans.

## Nonfarm Employment Jobs (jobs physically in the area)

Over-the-month, nonfarm jobs in the Portland-South Portland-Biddeford MSA decreased by 200 jobs, from 195,200 in September to 195,000 in October. Construction declined by 400, while Manufacturing, Information, and Other Services each lost 100 jobs. The largest decline, as expected, was in Leisure and Hospitality which lost 2,800 jobs. These losses were significantly offset by the gains of 1,300 jobs each in Retail Trade and Government. Education and Health Services added 500 jobs and Professional and Business Services and Transportation and Warehousing added 100 each.

Over the past year, October 2005 to October 2006, nonfarm jobs grew by 600. The 2005-to-2006 yearly snapshot, however, continues to be a checkerboard of gains and losses. Leisure and Hospitality lost 100 jobs while Manufacturing declined by 500; this is the second consecutive month with these identical losses. On the positive side, these losses were offset by a gain of 600 jobs in Trade and Transportation. Construction rose by 200 jobs over the year and Government, Education and Health Services, Financial Activities, and Professional and Business Services each added 100 jobs.

## Firm Update

### Closings/Layoffs (past 12 months)

An **18 percent drop in tourism**, specifically passenger ship tourism, affected the recent summer season. Cruise ship bookings to **Portland** were down, according to city officials, because of a cut in marketing funds. The 37,000 cruise ship passengers expected for 2006 is to be the smallest number of visitors to Portland since 2003.

**Southern Maine Medical Center in Biddeford** terminated eleven workers in early August. The layoffs came in the midst of a \$23.5 million expansion project and the incursion of \$8 million of bad debt; an increasing rise in unpaid Medicare reimbursement from the state added to the decision. SMMC's prioritizing for growth in emergency room care also contributed to the layoffs.

The **City of Saco** has discontinued contract negotiations with the **Maine Energy Recovery Company (MERC)** and begun talks with **Regional Waste Systems** and the **Penobscot Energy Recovery Company**. There is no information regarding the status of MERC's 80-plus workers.

### Expansions (past 12 months)

In October, the regional rail authority, **Amtrak**, upgraded rails and added side tracks. This was done to increase train service between **Portland and Boston**. – from Maine Sunday Telegram

The **Veteran's Career House** opened in **Biddeford** in October. It is a place for homeless veterans to live, to receive career training, and other support services. It is the first Career house of its kind in the state. The opening was attended by Governor John Baldacci, Congressman Tom Allen, and representatives from Senators Collins and Snowe's offices. – from Biddeford-Saco-OOB Courier.

In October, **L.L. Bean**, headquartered in **Freeport**, opened its seventh retail store. The store is located in **Center Valley, Pennsylvania** and employs 125 people. Next year the company plans to open branches in Connecticut, Massachusetts, and New York. – from Portland Press Herald.

Also in October, the **Maine Center for Enterprise Development** relocated its business incubator to the **University of Southern Maine**. The purpose of the move is to link research with entrepreneurship that, in turn, will lead to business creation that will contribute to area economic growth. – from Portland Press Herald.

The **Cianbro Corporation**, based in **Pittsfield**, moved the two 370-foot tankers into Portland Harbor in late October and has begun work on the project. The tankers will be converted to multipurpose supply ships for the offshore oil industry. The project is generating work in both **Portland** and **Bath**. It will create approximately 300 jobs for welders, fitters, electricians, and other construction trades-people. Project management work began earlier this year. – from Portland Press Herald.

Construction has begun on the new, \$60 million, **Scarborough Gallery** after late summer and early fall ground clearing. Anchored by a **Lowe's** and **Wal-Mart Supercenter**, the project could expand to 600,000 square feet and is expected to generate 700 full and part-time jobs. Viewed on-site, 11/27/06.

The **Maine Turnpike Authority** started replacing two rest stop facilities, one in **Kennebunk** and the other in **New Gloucester**, and the consolidation of the rest areas in **Lewiston** and **Litchfield**. The project will cost an estimated \$24 million and is expected to be completed by the fall of 2008. Viewed on-site, 11/27/06.

**Portland Marketing Group** has moved into the **Stockhouse Station** in **Westbrook**. A call center-based company, Portland Marketing Group anticipates that the November move of 25 employees into the renovated warehouse will lead to the hiring of up to 120 additional workers in the next year.

The **Smith Farm Condominium Project** in **Falmouth** is believed to be the first 'Green' project of its kind in Maine that meets the federal standards of the **Energy Star Program**. From high performance windows which use Argon gas to reduce heat transfer and loss to extensive caulking to seal studs and sheetrock, the project meets or exceeds the federal guidelines. Significant energy savings are expected to attract Maine's environmentally-conscious buyers.

**Mercy Hospital** broke ground in September for its new 27-acre facility located along the **Fore River** in **Portland**. The \$185 million project, which is to be done in two construction phases, includes a 137,000 square foot hospital, an 80,000 square foot medical office building, and parking for 700. The anticipated completion date for both phases is 2012.

In **Portland's Old Port**, the **Custom House Office-Condominium Project** is well underway. When completed, the \$7.5 million complex is expected to generate 100 new jobs from its tenants.

**General Dynamics Armament Systems** in **Saco** was awarded in September a \$44.5 million contract for 3,000 MK19 grenade machine guns. A division of **Connecticut-based General Dynamics**, the work is expected to be completed by 2009.

Construction on the **Riverwalk Project** has begun. The project includes 116 residential units, 30,000 square feet of retail space, 29,000 square feet of office space and an adjacent parking garage. The developer is **Riverwalk Limited Liability Corporation of Portland**.

**Java**, a new gourmet coffee shop on Old Orchard Street in **Old Orchard Beach** has opened. The new business employs six people and is expected to be open year-round.

**VIA Group**, a marketing firm based in **Portland**, is being used by **Silverstein Properties** of **New York City** to both advertise and market **7 World Trade Center**, the building damaged but not destroyed during the September 11, 2001 attacks. Prior to the hiring of VIA, the building remained vacant with less than 5 months until its official re-opening. By highlighting the lower lease rates and significant tax breaks associated with the property, VIA was able to overcome the inherent fear of the various Silverstein-owned WTC locations. As of late August, 7 WTC has 70 percent of the building leased.

**Netflix**, the world's largest online DVD rental service, has opened a distribution hub on **John Roberts Road** in **South Portland**. The facility employs six people.

**Crazy Horse Custom Embroidery** of **Arundel** was recently purchased by **Military Accessories and Community Support (M.A.A.C.S)** of **Wells**. Since the purchase, operating equipment has been updated and 13 jobs have been created. M.A.A.C.S supplies badges and nametags to the military, fire and EMS services, schools, and businesses.

**JobsinTheUS.com** has announced that it is expanding its services into New Jersey and Philadelphia. A direct effect of this growth is the adding of twenty-plus jobs at its **Westbrook, Maine** headquarters. The new positions include sales, sales management, customer service, quality control, and technological support.

**Amtrak's Portland-to-Boston Downeaster** run has experienced a 31 percent increase in riders, with 329,265 now using the train along this route. Revenues grew to \$4.35 million, up from \$3.3 million the previous fiscal year. This bodes well for the since the numbers do not take into account another increase in rider ship commensurate with the Big Dig problems.

The new, **United States Postal Service Distribution Facility** in **Scarborough** has opened. The 429,000 square foot facility consolidates and handles all mail for southern and central Maine by merging operations presently done at the Postal Services building on Forest Avenue in Portland along with several satellite stations. Approximately 600 employees work on three, eight-hour shifts.

**General Dynamics** will begin work on a \$23.5 million project to produce lightweight grenade launchers at its **Saco** plant. The five year contract has the potential to generate up to \$82 million. The Saco division employs approximately 280 workers; there has been no information regarding possible new hires for this contract.

The **General Dynamics Saco** plant has also been awarded a \$5.1 million contract to produce replacement barrels for the M242 chain gun on Bradley Fighting Vehicles. The facility employs 280 people; no new hires are anticipated.

**WestPoint Home (Stevens)**, with a facility in **Biddeford**, has announced a joint venture with **Indus Dyeing & Manufacturing Company** of **Pakistan**. The new company, to be called Indus Home Limited, will produce towels that will carry the WestPoint Home brand name. How this arrangement might affect workers in Biddeford has not been made public.

**Health Dialog Analytic Solutions** in **Portland**, a division of **Boston-based Health Dialog Services Corporation**, in the past two years has expanded its number of Maine employees from 40 to 140. Health Dialog advises health plan members in how to speak with their physicians regarding health care issues. The company is also moving from its Forest Street office to Two Monument Square. The company hopes to increase the number of its Maine employees to 200 by years end.

**JetBlue Airways Corporation** began operating in Portland as of May. JetBlue now fills the need created by the leaving of **Independence Air**. The number of jobs to be created has not been made available.

**Colgate-Palmolive** has purchased 84 percent of the **Tom's of Maine**, the natural healthcare products company, for \$100 million. No layoffs or job cuts are anticipated in the near future; **Tom's** employs 170 people in its **Kennebunk** offices and Sanford production facilities.

**Biode Inc.** of **Westbrook** has grown from one employee in 2002 to 10 today. Biode, which manufactures instruments that measure a liquid's viscosity, expects to hire two additional workers this year.

**Portland** remained the largest port in New England in terms of overall tonnage and the largest oil port on the entire East Coast. Portland handled 29.9 million tons in 2005, brought in by 662 vessels.

**Saco Defense** has been awarded a \$6.6 million contract from the Army to produce 400 M2 machine guns. **Saco Defense**, a subsidiary of **General Dynamics**, has also been awarded a \$14.7 million Army contract for the production of 1,100 MK-19 grenade machine guns.

In **Portland**, the first **Leadership in Energy and Environmental Design (LEED)** office building in Maine has been completed. The \$4 million "green" structure features low emission paint and carpets, high-efficiency boilers, recycled structural steel supports, and a white roof to reflect heat. In 2003, **Governor Baldacci** signed an executive order to foster incorporation of **LEED** procedures in all new and renovated state buildings.

Groundbreaking for the **Ocean Gateway Terminal** took place on October 3, 2005. The \$20.7 million project is viewed as key to **Portland Harbor's** continued development; a 17,000 square foot terminal building and a 5,500 square foot receiving station will be constructed. Ocean Gateway may be the link for renewed ferry service between Portland and Nova Scotia if negotiations with **Bay and Northumberland Ltd. Of Canada** are successful.

**IntelliCare Inc.** of South Portland has been acquired by the **Polymedica Corporation of Woburn, MA**. IntelliCare provides telephone based nursing services and technology. The 130 Maine employees should not be affected by the acquisition.

**L.L. Bean's** of Freeport has partnered with **JWT**, a **New York** based advertising company and **MEC Interaction**, also based in **New York**, to complete a \$20 million deal that combines traditional, digital, and online expertise for Bean's retail channels: its catalogs, its stores, and its online division.

A pilot program instituted by the **Transportation Security Administration (TSA)** is in place at the **Portland International Jetport**. The purpose of the program is to analyze people's actions through behavior detection techniques to determine suspicious motivations. A similar project has been in place at **Boston's Logan International Airport** since 2002.

### **Future Economic Development Projects**

**Saco Island, LLC** has won approval from the City of Saco regarding a **30-year Tax Increment Financing (TIF)** proposal with the City Council. **Saco Island, LLC**, the developers will receive a \$35 million tax break on the \$100 million project. The project itself includes a 5,000 square foot train station, and renovations to the existing structures. The local economic development agency and local politicians supported the project which is to include condos, a marina, and a brewpub. – from Biddeford-Saco-OOB Courier and Maine Sunday Telegram.

In **Biddeford**, housing plans have been submitted by developers for the three building **North Dam Mill** complex opposite Saco Island. The developers are seeking a **20-year Tax Increment Financing (TIF)** arrangement with the city. This project includes retail and office space, a fitness studio, restaurants, and art studios. A possible issue is the present lack of parking space. – from Portland Press Herald.

**MariCal, Inc. of Portland** and **Blue Ridge Aquaculture, Inc.** located in **Virginia** have partnered in a \$30 million venture to aqua-farm cobia, a saltwater game fish. The new venture is called **Virginia Cobia Farms LLC**. - from Maine Sunday Telegram.

**Sprague Energy Corporation** plans to open a **biofuel facility** at its **South Portland terminal**. In a related story, **Oakhurst Dairy** in **Portland** has begun converting its fleet of trucks to biofuel. – from Channel 6 News and Portland Press Herald.

**Portland City Council** members, **trustees**, and **Cumberland County commissioners** met to discuss the future of the **Cumberland County Civic Center**. Costs to renovate the existing structure may be prohibitive: a structural analysis to determine those costs will itself cost \$100,000 and a contemplated seating expansion may be as high as \$20 million. An older projection for a new civic center was \$50 million but that but that figure does not factor in the rise in construction costs since Hurricane Katrina. A consensus has yet to be reached. – from Portland Press Herald.

Developers are hoping to build a **Residence Inn by Marriott** on Portland's eastern waterfront; construction would start next spring. The project, intended as part of the **Ocean Gateway Project**, would be located at the corners of **Fore Street** and the **planned Hancock Street** extension. The project is a joint venture by Summit Hotel Properties of Topsfield, MA and Norwich Partners of **Lebanon, NH**. – from Portland Press Herald.

A late summer tax problem regarding **Cabela's Inc. of Nebraska** has been resolved and the project is going forward. Cabela's will be the anchor tenant of the development along the Maine Turnpike and the Haigis Parkway. The issue was the Maine State Law that requires state resident's who order through catalogues to be assessed a 5 percent tax which, in turn, is forwarded to the state. Cabela's sought an exemption; the request was denied in late October. The developers, the **New England Expedition – Scarborough, LLC** will build a 130,000 square foot building for Cabela's, a 200 room hotel, restaurants, and office space. Cabela's will directly challenge the marketing niche presently held by the **Kittery Trading Post** and **L.L. Bean in Freeport**. – from Portland Press Herald.

The **Portland City Council** has approved the rezoning of the **Maine State Pier**, formerly occupied by **Bath Iron Works** and the **Cianbro Corporation**. Portland officials are encouraging private investment as a means to offset the costs of the needed major structural repairs. Commercial development, including a possible hotel on the property adjacent to the pier, is hoped for.

**Southern Maine Medical Center** is moving its accounting personnel into the site **Warren's Furniture Store** building located on **Main Street** in **Biddeford**. Thirty-two people will be transferred after minimal renovations are completed.

As of August, developers are scaling back the **Westin Hotel** and **Condominium Project** on the site formerly occupied by Jordan's Meats in **Portland**. With the decreasing demand for condominiums, the **Proccianti Group** of **Rhode Island** is reducing the number of both condos and hotel rooms. Originally budgeted at \$110 million, a lesser project cost has not been made public.

The **City of Saco** has purchased a 75 feet tall wind turbine to augment power at the Front Street waste treatment plant. At a cost of approximately \$8,000.00, the turbine is expected to generate power at \$0.09 per kilowatt hour which is less than the retail rate of most utility companies. The Skystream model selected has a bird-friendly history. The work was completed in September.

**Passenger train service** linking **Portland-to-Lewiston-Auburn** and **Portland-to-Brunswick** has been proposed by **Governor Baldacci**. State officials have been asked to assess the economic impact of the proposal with intent to encourage economic development.

The **University of New England** in **Biddeford** has received, in August, a five year, \$500,000 grant to study the effects of discharge into the Saco River. The award comes from the **Maine Marine Research Fund** and was distributed by the **Maine Technology Institute**. The purpose of the grant is to better understand beach erosion, toxic plankton blooms, and fish and shellfish populations. The project is expected to generate more federal research dollars, along with economic benefits for both the commercial and recreational fishing industries.

A seven acre lot in the **Thayer Brook Business Park** has been sold by the **City of Biddeford** to Prime-Care Physicians Associates. The medical group plans to build a new 40,000 square foot facility. Construction is expected to begin in October and 40 new jobs are anticipated.

A potential **\$240 million** may be invested in **Portland's Bayside District**. Proposed, planned, or under construction projects include an **American Automobile Association** expansion, the new **Wholesale Foods Market**, student apartments, commercial buildings, a parking garage, and a water view condominium project. The new Wholesale Foods 47,000 square foot building is expected to employ over 200 people.

**Sea Run Holdings, Inc.**, a **Freeport**-based biotech firm, has been awarded a \$386,700 grant from the **National Institute of Health**. The purpose of the grant is to develop a gel from salmon proteins that will be used for the regrowth of central nervous system neurons. The gel is intended for patients who have suffered spinal cord or brain injuries.

**ITV Direct**, based in **Beverly, Massachusetts**, is expanding its **Biddeford** operations into the former district courthouse on Washington Street. ITV Direct sells dietary supplements to television viewers. The company employs 30 workers at its Biddeford call center and expects to add up to 150 more employees in the immediate future.

The **Portland City Council** has approved a plan to develop a **biotechnology office park** on 6.5 acres of city land off **Rand Road**. The council agreed to rezone this parcel from resource protection to office park.

The **D.L Geary Brewing Company** of **Portland** is adding new tanks and a new bottling line. These additions are part of a two-phase expansion that will cost approximately \$1 million and add ten jobs to the company's workforce.

**Aspen Dental Management, Inc.** based in **Syracuse, New York**, will open a 3,100 square-foot office in the **Pine Tree Shopping Center** on **Brighton Avenue** in **Portland**. Aspen Dental is reputed to be the largest privately owned dental practice management company in the Northeast. Its market base is expected to be generated by extended business hours and by its ability to take walk-ins.

**Rich Tool & Die** homed in **Scarborough** has become **Rich Technology International**. The company has updated its machinery to compete in the global market. **RTI** has contracts with General Electric to produce turbine nozzles for GE's gas-fired power plants and turbine blades for GE's steam and nuclear plants. RTI is planning on increasing its workforce by 15-to-20 workers over the next four months.

**Developer Elliot Chamberlain** of **Scarborough** is planning to submit a proposal for a commercial and residential development along Route 1 in Saco. The **Cascade Project** would be adjacent to his company's **Park North Project** and located on 53 acres near the Cascade Family Restaurant. Information regarding construction jobs and permanent jobs created by the commercial component was not available.

**Shipyard Brewing**, also in **Portland**, is planning a \$5 million renovation to its existing facility on Newbury Street. When completed, Shipyard expects to hire up to 18 new employees.



**Sterling Rope**, presently in **Scarborough**, will be moving and expanding. The company will be relocating its operations and 40 employees to the **Biddeford Industrial Park**. Sterling expects to grow its workforce by 10 to 30 people over the next three years.

**L.L. Bean's** of **Freeport** has opened a new store in **Pennsylvania** this fall. Next year there are plans to open stores in **Connecticut**, **Massachusetts**, and in **New York** near **Albany**. These expansions are part of the company's selling channels: retail stores and outlets, catalogue sales, and online sales.

**L.L. Bean's** is also considering three projects for **Freeport**. One is a \$35 million expansion of its Desert Road distribution center. This would almost double the existing 660,000 square foot facility. Another is a 500-to-600 space parking garage in Freeport's Lower Village on the site of its factory store. The third proposal is for the purchase and expansion of its retail business to a building adjacent to its flagship store located on the corner of Main and Morse Streets.

The **F.W. Webb Company** in **Biddeford** plans to move into a new 32,000 square feet warehouse to be located in the **Airport Industrial Park**, also in **Biddeford**. Construction is to begin by early summer and be completed by the end of the year.

**Davis Construction** of **South Portland** has filed preliminary plans for a 25-to-40 store shopping center. The proposed project is located near Exit 42 off the Maine Turnpike, at the crossing of the Payne Road and the Haigis Parkway.

Plans are in the offing for a **\$50 million hotel** in **Old Orchard Beach**. The developer, **Tim Swenson**, hopes to build a 100 room hotel with a 450 parking garage; the project could be nine stories in overall height and would include a tunnel for the **Guilford Rail Company**.

**BPI Partners, LLC**, owners of the **Black Point Inn** in **Scarborough**, plan to sell portions of the property. Two wings of the main building and several outbuildings would be razed. Several cottages would be sold, a barn converted into condominiums, and up to nine, saleable housing lots created.

In March, a partnership was formed between **Portland's Downtown District** and the law firm of **Bernstein-Shur**; the **City of Portland** is working with this group to address issues related to the **Arts District** and street-level vacancies. The purpose is to spur revitalization in the Arts District and to improve upon an already low 4.0 percent vacancy rate. The intent is to focus on Congress Street where storefront space rent for \$12-\$14 a square foot versus \$30-\$40 in the Old Port.

**Portland-based Pierce Promotions** plans to add 55 jobs locally. The company was recently purchased by the **Omnicon Group of New York**. This will bring the number of Maine employees to 195 workers.

The concept of **Industrial Condos** has gained purchase in **Scarborough**. The developer, **Paul Deschaises**, built 12 units in Scarborough after developing a smaller, 4-unit building in **South Portland**. Focusing on light industrial and manufacturing, the owners of these units generate equity and tax advantages with their purchase.

The **Park North** proposal for development of 236 acres off Route 1 and abutting both Scarborough and Old Orchard Beach received support from the **Saco City Council** at its March 20<sup>th</sup> meeting. **Eliot Chamberlain** has presented a plan that calls for a business park, retail outlets, hotels, and housing for residents 55 and older.

Construction started on the **Westbrook Heights Business Park**. Funded in part by a \$900,000 state economic development grant, businesses are expected to create 200 new jobs.

The **Army Corps of Engineers** has proposed two plans to mitigate the erosion problems at **Camp Ellis Beach in Saco**. The plans, costing \$18 and \$25 million, suggest spurs to the existing jetty, possible segmented breakwaters, and two-to-three beach renourishments. Once approved by the **United States Senate**, the project will take two-to-three years to complete.

**Idexx Laboratories** is considering a \$30 million expansion in **Westbrook**. If implemented, approximately 500 new jobs will be generated over the next 5 years.

## Portsmouth-Kittery, NH-ME

### Area Definition

The Portsmouth-Kittery LMA is comprised of Eliot and Kittery.

### Civilian Labor Force Trends

	October 2006	September 2006	October 2005
Civilian Labor Force	9,740	9,660	9,560
Resident Employed	9,480	9,400	9,260
Unemployment	260	260	300
Unemployment Rate	2.7%	2.7%	3.1%

The jobless rate in the Portsmouth-Kittery LMA remained 2.7 percent in October. The increase in Resident Employment is associated with defense related industries.

### Characteristics of the Insured Unemployed

The local area characteristics of the insured unemployed in October 2006 showed that the largest separations in this LMA, 22 percent, occurred in Accommodation and Food Services. Wholesale Trade, Retail Trade, and Administrative and Waste Services each had 17 percent of claimants. Demonstrating a solid educational base, 100 percent of claimants in the Portsmouth-Kittery LMA had a 12th grade education or higher. Only 32 percent of claimants believed their layoffs to be temporary and 55 percent left their jobs voluntarily. Forty-five percent of all claimants in October were women. Of this latter group, and for the second month in a row, 18 percent of women were the primary wage earners.

### Firm Update

#### Expansions (past 12 months)

The **United States Navy** has transferred a nuclear submarine repair contract from **Electric Boat in Groton, Connecticut** to the **Portsmouth Naval Shipyard in Kittery**. The transfer is expected to save the Navy approximately \$59 million. The maintenance overhaul of the **USS Philadelphia** will cost \$85.8 million. No explanation for this change has been given though it has been suggested that the recent decision by the **Base Realignment and Closure Commission** to keep the Kittery yard open may have been a factor. Information on the start-finish schedule for this work has not been made available.

**Columbia Coastal Transport, LLC**, with corporate headquarters in **Liberty Corner, New Jersey**, has extended its containerized cargo business to Portland. Columbia Coastal provides cargo feeder services to ports in North America, the Bahamas, and Cuba. **Sprague Energy**, with corporate headquarters located in **Portsmouth, New Hampshire**, plans to ship Maine paper products to New York for worldwide distribution was integral to this extension.

At the meeting, held at the **International Trade Resource Center at Pease International Tradeport**, committee members heard about a record trade figure set for the state in 2005. Final trade numbers for last year indicate that New Hampshire exports rose 11.5 percent to a record \$2.54 billion. The total included **\$408 million** in goods shipped through the **Port of New Hampshire** to 52 countries, also a record.

A total of 29 states ship products through **Portsmouth**; New Hampshire shipped \$50.25 million of exports by sea last year.

## **Rochester-Dover, NH-ME**

### **Area Definition**

The Rochester-Dover, HN-ME LMA is comprised of Berwick, Lebanon, South Berwick, and North Berwick.

### **Civilian Labor Force Trends**

	<b>October 2006</b>	<b>September 2006</b>	<b>October 2005</b>
Civilian Labor Force	11,340	11,150	11,320
Resident Employed	11,060	10,850	10,980
Unemployment	270	300	340
Unemployment Rate	2.4%	2.7%	3.0%

The local unemployment rate decreased from 2.7 percent in September to 2.4 percent in October. The Civilian Labor Force increased by 190. Resident Employment, however, also increased with a gain of 210 workers. Unemployment was down by 30 from 300 in September to 270 in October. The majority of unemployment claims were filed from the Manufacturing and Construction industry sectors. Small separations occurred in Retail Trade, Finance and Insurance, and Arts and Entertainment. Of particular note no claims were filed from Agriculture, Wholesale Trade, Real Estate, and Education and Health Services.

### **Characteristics of the Insured Unemployed**

In October, 27 percent of the claimants were separated from Manufacturing. Construction had 18 percent of claimants. Forty-two percent of approved claimants were women and 40 percent of women were the primary wage earners in their families. Sixty-seven percent of approved claimants had a high school education and some post-secondary education. In October, 17 percent of claimants were veterans. Eighty-three percent of claimants believed their layoffs to be temporary.

## **Sanford LMA**

### **Area Definition**

The Sanford LMA is comprised of Sanford, Shapleigh, Acton (Extended Sanford).

### **Civilian Labor Force Trends**

	<b>October 2006</b>	<b>September 2006</b>	<b>October 2005</b>
Civilian Labor Force	11,510	11,320	11,400
Resident Employed	10,950	10,790	10,810
Unemployment	560	530	590
Unemployment Rate	4.9%	4.7%	5.2%

The local unemployment rate rose slightly at 4.9 percent in October from 4.7 in September. The Civilian Labor Force increased by 190 from September. Resident Employment increased by 160 and the number of Resident Unemployed increased by only 30.

For the fourth month in a row, Manufacturing had the largest numbers of separations. This was followed by Accommodation and Food Services, also for the fourth consecutive month. Construction, Retail Trade, and Healthcare and Social Assistance demonstrated significant portion of approved claimants. It is important to note that none of the remaining industry sectors had significant claim numbers.

**Oxford Aviation** broke ground for its new facility in October. Once completed, the company expects to employ over 200 workers at the new plant. Over the year, **Goodall Hospital** and the **Sanford Public School System** have increased their number of employees. The relocation of **Tom's of Maine** workers also added to the workforce. – from Journal Tribune and Portland Press Herald.

### Characteristics of the Insured Unemployed

Characteristics of the insured unemployed showed in October that 19 percent of claimants were from Manufacturing, 17 percent from Accommodation and Food Services, 14 percent from Construction, 13 percent from Retail Trade, and 10 percent from Healthcare and Social Assistance. Twenty-eight percent of all claimants had received some post secondary education. Fifty-nine percent believed their layoffs to be temporary and 30 percent left their jobs voluntarily. Seven percent of claimants were veterans while this month 49 percent were women.

### Firm Update

#### Closings/Layoffs (past 12 months)

Nothing to report.

#### Expansions (past 12 months)

**Oxford Aviation**, which refurbishes aircraft, has begun construction of its 93,000 square feet, \$10 million facility in **Sanford**. The **Sanford Airport** can accommodate the larger aircraft that the company is seeking to service. The facility, which is expected to open in the spring of 2007, and will create approximately 200 jobs for painters, welders, and office personnel. The **Governor's Pine Tree Zone Initiative** is credited with making this project viable.

In August, **Goodall Hospital** in **Sanford** began construction of its **Emergency Department** expansion. The \$2.3 million project will add approximately 5,000 square feet of space, doubling the current area. In the past year, Goodall has added 100 staff members to its employee roles. The hospital employs circa 800 people.

Also in August, **PATCO Construction** of **Sanford** began erecting a 66,000 square feet facility for **SIGCO** in **Westbrook**. **SIGCO**, which presently employs 85 people, manufactures specialized architectural glass and architectural aluminum products.

A new, \$1.5 million, 25,000 square foot manufacturing building, a retreading facility, is being erected in **Sanford Industrial Estates** for **Central Tire of Springvale**. In conjunction with this project, Central Tire has been awarded a state Business Assistance Grant of \$150,000. The company will relocate to **Sanford** in 2006 and, under the terms of the grant, approximately ten new jobs will be created.

**Colgate-Palmolive** has purchased 84 percent of the **Tom's of Maine**, the natural healthcare products company, for \$100 million. No layoffs or job cuts are anticipated in the near future; **Tom's** employs 170 people in its Kennebunk offices and **Sanford** production facilities.

### Future Economic Development Projects

**Sanford Town Officials** have approved a \$670,000 bond to remove an old plane hangar and to renovate existing taxiways at the **Sanford Airport**. This project will help with the \$7 million project begun by **Oxford Aviation** on town-owned land near the airport. – from Journal Tribune.

**Summit Properties** of **Topsfield, MA** has purchased 18 acres of land off Route 109 in **South Sanford**. **Summit Properties** intends to build 164,000 square feet of retail space. This parcel is located near where **Great Island Development** plans to build a **Wal-Mart Superstore** and a **Lowe's** home improvement center.

The \$78 million investment into the **Mousam River** neighborhoods in **Sanford** as part of an effort to re-new and energize the **Sanford downtown district** was approved by the town councilors. The long-range study developed by the **Connecticut-based consulting firm of Bartram & Cochran**, focuses on the river as the center of a Blue Ribbon area that will be home to niche retailers, entertainment, and night life. Development changes include redevelopment of the Midtown Mall, landscaping improvements to Main Street, renovation of the mills, clean-up near Number One Pond, and a waterfront walkway.

**DM Technologies** of **Sanford** has received a \$400,000 Department of Economic and Community Development business assistance grant. Presently employing 3 people, the company plans to hire 28 new employees.

Also in **Sanford**, the new owner of the **Sanford Mills on Washington Street** is planning condominiums and a brew pub on the property. Business offices and retail shops are an integral part of the project. A two year time frame is anticipated.

**Counseling Services, Inc.** will begin construction of a new, 24,000 square feet office building in the **Thatcher Brook Business Park in Biddeford**. **Davis and Hanscom, Inc. of Steep Falls** is the general contractor.

The \$8.2 million **Cancer Care Center of York County**, a partnership involving **Goodall Hospital of Sanford**, **Southern Maine Medical Center of Biddeford**, and **Maine Medical Center of Portland**, when completed in Sanford, is expected to generate 20 new positions.

## York LMA

### Area Definition

The York LMA is comprised of North Berwick, Wells, York, and Ogunquit.

### Civilian Labor Force Trends

	October 2006	September 2006	October 2005
Civilian Labor Force	18,190	18,670	20,120
Resident Employed	17,660	18,170	19,490
Unemployment	530	490	630
Unemployment Rate	2.9%	2.6%	3.2%

The local unemployment rate for the York LMA increased in October by a statistically significant 0.3 percentage points to 2.9, up from September's 2.6 percent. Defense related industries in the York LMA had continued steady employment. However, food store employment declined. Not surprisingly considering the early October weather, Retail Trade businesses had the largest number of separations.

Resident Employment decreased by the 510, a number close to the decline in the Civilian Labor Force. The number of unemployed workers increased by 40. The towns of York, Ogunquit, and Wells rely heavily on tourism and a number of businesses operate with minimal crews to take transient business and to button-up for the winter months.

### Characteristics of the Insured Unemployed

In October, 29 percent of insured claimants were from Retail Trade and 12 percent from Construction. Administrative and Waste Services, Healthcare and Social Assistance, and Other Services each accounted for 9 percent of remaining separations. Twenty-eight percent of dislocated workers were women. Fifty-four percent of all dislocated workers had some post-secondary training. Surprisingly, none of the women claimants were the primary wage earners while 15 percent of approved claimants were veterans.

### **Expansions (past 12 months)**

Work began in October on a \$14 million redevelopment project in **York Beach**. The will renovate three existing hotels and convert them into new housing and retail space. The project, when completed, will add 30 condo units and 10 retail shops to the York Beach commercial center. – from Portland Press Herald.

**Stonewall Kitchen** has grown in 15 years from a two-person operation based in Hampton, NH with opening day sales of \$200 to a \$34 million business with over 270 employees and stores in Maine, New Hampshire, Massachusetts, and Connecticut. Headquartered in **York**, Stonewall Kitchen also has its production facility there.